



November 21, 2001

VIA ELECTRONIC FILING

Dorothy Atwood
Chief, Common Carrier Bureau
Federal Communications Commission
445 12th Street, S.W.
Room 5-C345
Washington, D.C. 20554

Re: *Pay Telephone Reclassification and Compensation Provisions of the
Telecommunications Act of 1996*, CC Docket No. 96-128 NSD File No.
L-99-34, Ex Parte Filing

Dear Ms. Atwood:

Telstar International, Inc. (Telstar) by its attorney hereby submits this letter in response to the most recent round of *ex parte* notifications submitted by the IXC coalition filed on November 20, 2001. Specifically, Telstar responds to IXC coalition comments regarding a proxy completion factor and the use of clearinghouses.

In their submissions, the IXCs claim that allowing resellers to continue to compensate PSPs using clearinghouses would be “administratively infeasible.”¹ Telstar does not understand this claim, since clearinghouses are currently in use today and are indeed the method by which not only resellers, but also IXCs remit PSP compensation. Telstar has supported the use of billing clearinghouses throughout this proceeding to act as a proxy for direct agreements between resellers and PSPs. Allowing resellers to continue to use clearinghouses to compensate PSPs as many do today, and to use these clearinghouse arrangement as proxies for establishing individual arrangements with thousands of PSPs would avoid the anticompetitive and discriminatory results that the IXCs’ proposal to charge resellers for incomplete calls would create. Under the Telstar proposal, a reseller would have the choice of either using a clearinghouse to pay PSP compensation directly, or it would be subject to payment via the IXC. When faced with the alternative of the IXC proposal, it is clear that many resellers would simply choose to use a clearinghouse. The Commission could also require resellers to directly report their 800 numbers to the clearinghouse who could then provide the name, number, and contact information for that SBR to a PSP upon request. Such a requirement would go far to facilitate a PSP’s ability to identify and approach any reseller with whom it has a dispute regarding compensation. Certainly this approach is less administratively complex than a current requirement that IXC’s track, or arrange for tracking, each and every completed call that is passed to its reseller customers.

¹ November 20, 2001 Ex Parte filed on behalf of WorldCom, AT&T, and Sprint in this proceeding



Second, Telstar addresses IXC proposals to use a completion factor as a proxy for actual call completion levels. Telstar does not support the IXC proposal to use a one size fits all completion factor, for exactly the same reasons that a one size fits all timing surrogate is inappropriate. Specifically, a one-size fits all call completion factor is inappropriate because call completion factors vary dramatically depending on the demographics served by a particular debit card provider. This fact is borne out in the data provided by I-PCA in its November 13 *ex parte* submission. Accordingly the only appropriate way to assess a call completion factor would be on a company specific basis, calibrated to take into consideration abandoned calls.

If, however, the Commission does adopt an industry average completion factor, it must allow SBRs who have different completion rates to “opt out” of that proxy if the SBR notifies the underlying carrier, through commercially reasonable means, that it will apply its own and not on the average industry PCC factor. Telstar is able to track all of its calls to determine whether calls that come to its switch are completed, abandoned at the switch, or incomplete. Carriers who have this data should be permitted to use this data to demonstrate call completion rates to ensure that they are charged for calls that complete only.

Respectfully submitted,

By: _____
Hope Halpern
Director of Regulatory Affairs
and Corporate Communications
Telstar International, Inc.
1 North Broadway
White Plains, NY 10601
Ph: 914.428.5555 ext. 219
Cell: 914.714.0709
Hope@Telstar-usa.com

cc: Chairman Michael K. Powell
Commissioner Michael J. Copps
Commissioner Kevin J. Martin
Commissioner Kathleen Q. Abernathy
Jeffrey Carlisle, Senior Deputy Bureau Chief
Diane Griffin Harmon, Assistant Bureau Chief
Christopher D. Libertelli
Tania J. Cho
Jordan Goldstein
Linda Kinney
Kyle Dixon

